

SELECTION OF CONTRACTOR FOR THE CENTER OPERATIONS SUPPORT SERVICES

On August 1, 1997, I along with other senior Marshall Space Flight Center (MSFC) officials met with the Source Evaluation Board (SEB) appointed to evaluate proposals for the Center Operations Support Services (COSS).

PROCUREMENT DESCRIPTION

The purpose of this procurement is to provide operations, maintenance, renovations, modifications, construction, and environmental services to MSFC.

The solicitation stated that the requirements for this effort were to be proposed on a performance base fixed-price basis. The fixed-price contract was specified with a period of performance of 5 years (a base period of 1 year and four 1-year priced options to extend the term of the contract).

The Request For Proposal (RFP) was posted on the MSFC Procurement Internet Home Page and sent to 273 prospective offerors. Proposals were received from Brown and Associates Management Services, Incorporated (BAMSI); BDM/Vinnell Corporation; EG&G Incorporated; FKW, Incorporated; Johnson Controls, Incorporated; Joint Venture with Morrison Knudsen and Call Henry Incorporated (MK/CHI); and Space Mark, Incorporated.

EVALUATION PROCEDURE

The RFP prescribed three evaluation factors consisting of Mission Suitability, Cost/Price, and Relevant Experience and Past Performance. The RFP contained explanations of the factors and subfactors, and indicated they are essentially equal in importance. The RFP indicated that the Mission Suitability Evaluation Factor and the Relevant Experience and Past Performance Factor, when combined, are significantly more important than the Cost/Price Evaluation Factor.

Mission Suitability was composed of the following subfactors which were assigned the following points as designated in the RFP:

Management Plan	500 points
Understanding and Approach to Meeting the Requirement	250 points
Quality Control	250 points

The SEB members were appointed by the Director of the Marshall Space Flight Center, and included representation from the Space Shuttle Projects Office, Facilities Office,

Chief Financial Office, and the Procurement Office. To aid in the evaluation, the SEB appointed subcommittees from appropriate disciplines to provide assessments of proposal strengths and weaknesses in their areas of assignments. The SEB utilized information from the subcommittees and advisors in conjunction with the predetermined evaluation factors and subfactors in formulating its assessment of the strengths and weaknesses.

All seven proposals received were determined to be acceptable for evaluation. The SEB completed the initial evaluation and integration of subcommittee and advisor inputs, applied the numerical scoring system for Mission Suitability, completed its evaluation of Relevant Experience and Past Performance and cost/price, and reported its findings to the Selection Official.

MISSION SUITABILITY EVALUATION

The following (presented in alphabetical order) is the substance of the SEB's evaluation of the proposals regarding Mission Suitability. The ratings represent all strengths and weaknesses, however only major strengths and weaknesses are identified.

THERE WERE NO "EXCELLENT" PROPOSALS

"VERY GOOD"

While BAMSI received the highest score and EG&G the second highest score in Mission Suitability, the deltas between BAMSI, EG&G, and BDM/Vinnell scores were minimal and were very closely grouped within the mid-range of the "Very Good" rating.

BAMSI

The BAMSI proposal received an overall rating of "Very Good" in Mission Suitability.

Under the Management Plan Subfactor, BAMSI received a rating of "Excellent." Major strengths reported by the SEB include the following: risk identification and mitigation was comprehensive and well presented; management approach was excellent with clear designation of authorities; organizational structure was ideal in streamlining approval authorities with very clear communication interfaces, and an autonomous construction services branch; four of the proposed six key personnel were considered major strengths; subcontractor specialized usage and selections were logical, direct, and very qualified in the areas designated; and phase-in plan was excellent with incumbent workforce. No major weaknesses were reported by the SEB under this subfactor.

Under the Understanding and Approach Subfactor, BAMSI received a rating of “Good.” Major strengths reported by the SEB include the following: balanced Reliability Centered Maintenance (RCM) program provided reasonable goals, accompanied with thorough discussion recognizing RCM’s importance; thorough and complete safety plan, two full-time safety engineers, quality control inspectors cross-trained for safety, and an Executive Safety Council. Major weaknesses reported by the SEB include the following: very low liquidated damages for non-performance of indefinite delivery, indefinite quantity (IDIQ) work was inadequate and indicated a lack of realism; and application of the subcontract coefficient to all subcontracted IDIQ work indicated a lack of understanding of the pricing hierarchy methodology specified in the RFP.

Under the Quality Control Subfactor, BAMSI received a rating of “Good.” No major strengths or major weaknesses were reported by the SEB.

BDM/VINNELL

The BDM/Vinnell proposal received an overall rating of “Very Good” in Mission Suitability.

Under the Management Plan Subfactor, BDM/Vinnell received a rating of “Very Good.” Major strengths reported by the SEB include the following: risk identification and mitigation was presented in significant detail, and corporate resources were available to minimize risks; management approach was very detailed and well focused; organizational structure was flat with very effective lines of communication, good detail on functions, staffing levels, interrelationships of proposed organizational elements, and an autonomous construction management branch; and six of the proposed thirteen key personnel were considered major strengths. A major weakness reported by the SEB is as follows: Environmental Support Project Manager lacked experience and would spend only thirty percent of time on this contract, and the Environmental Support Supervisor has day-to-day operations responsibility but lacks autonomy.

Under the Understanding and Approach Subfactor, BDM/Vinnell received a rating of “Good.” Major strengths reported by the SEB include the following: liquidated damages for non-performance of indefinite delivery, indefinite quantity (IDIQ) work was considered a major strength; balanced Reliability Centered Maintenance (RCM) program with reasonable goals, accompanied with thorough discussion recognizing RCM’s importance; thorough and complete safety plan, performing job hazard analysis for each operation, with adequate staffing and organizational structure. A major weakness reported by the SEB is as follows: the proposed Environmental Support Services demonstrate a lack of understanding of the statement of work.

Under the Quality Control Subfactor, BDM/Vinnell received a rating of “Good.” No major strengths or major weaknesses were reported by the SEB.

EG&G

The EG&G proposal received an overall rating of “Very Good” in Mission Suitability.

Under the Management Plan Subfactor, EG&G received a rating of “Very Good.” Major strengths reported by the SEB include the following: risk identification and mitigation was comprehensive and well presented; management approach was very detailed, well structured, with clear lines of authority, performance base mechanisms thoroughly understood with management approach structured to facilitate performance based contracting; four of the proposed five key personnel were considered major strengths; phase-in plan was well structured and well thought out, including milestone schedules, expertise from corporate office, and “readiness” reviews. No major weaknesses were reported by the SEB under this subfactor.

Under the Understanding and Approach Subfactor, EG&G received a rating of “Good.” No major strengths or major weaknesses were reported by the SEB.

Under the Quality Control Subfactor, EG&G received a rating of “Good.” No major strengths or major weaknesses were reported by the SEB.

“GOOD”

FKW

The FKW proposal received an overall rating of “Good” in Mission Suitability.

Under the Management Plan Subfactor, FKW received a rating of “Good.” A major strength reported by the SEB is as follows: four of the proposed seven key personnel were considered major strengths. Major weaknesses reported by the SEB include the following: five incumbent employees that FKW intended to recruit immediately after contract award were considered critical to the continued success of MSFC Programs, however, no discussion was provided on how these skills would be maintained for continued success should FKW not retain these employees; since the Maintenance and Construction Planning and Control Manager acts as Emergency Operations Center (EOC) staff during emergencies, a concern existed regarding the ability of the manager to direct craft personnel and manage EOC during emergencies.

Under the Understanding and Approach Subfactor, FKW received a rating of “Fair.” A major strength reported by the SEB is as follows: liquidated damages for non-performance of indefinite delivery, indefinite quantity (IDIQ) work was considered a major strength. Major weaknesses reported by the SEB include the following:

Environmental Management Support Section lacked substantive details to demonstrate an understanding of hazardous waste and material management, NPDES, storm water management, lead/asbestos management, tracking database, Industrial Wastewater Treatment Facility, ground treatment system and asbestos notifications; and application of the subcontract coefficient to all subcontracted IDIQ work indicated a lack of understanding of the pricing hierarchy methodology specified in the RFP.

Under the Quality Control Subfactor, FKW received a rating of “Good.” No major strengths or major weaknesses were reported by the SEB.

JOHNSON CONTROLS

The Johnson Controls proposal received an overall rating of “Good” in Mission Suitability.

Under the Management Plan Subfactor, Johnson Controls received a rating of “Fair.” Major strengths reported by the SEB include the following: organizational structure was flat and effective with appropriate lines of communication, good detail on functions and interrelationships of proposed organizational elements; and six of the proposed eight key personnel were considered major strengths. Major weaknesses reported by the SEB include the following: proposed construction management subcontractor, AJT & Associates, currently performs in-house engineering services on another MSFC contract, which may present reluctance for construction management to challenge designs should defects become apparent, or conversely; risk identification and mitigation was only briefly mentioned in the executive summary and phase-in; utilizing operations and maintenance personnel for some in-house construction work could cause conflicts on wage differences between Davis Bacon Act and Service Contract Act; construction staff skill-mix, qualifications, cross training, replacement, backup, distribution, and effective use of workforce is not provided as required by the RFP; and SCA wage determinations titles were omitted on numerous instances, and thirteen labor categories and/or corresponding labor rates were misclassified.

Under the Understanding and Approach Subfactor, Johnson Controls received a rating of “Very Good.” Major strengths reported by the SEB include the following: importance of Reliability Centered Maintenance (RCM) program was recognized, with thorough discussion of the plan to implement an effectively balanced program; safety plan was very thorough and complete, with safety recognition plan, two industrial safety engineers and a QC/Safety Manager. No major weaknesses were reported by the SEB under this subfactor.

Under the Quality Control Subfactor, Johnson Controls received a rating of “Good.” No major strengths or major weaknesses were reported by the SEB.

“FAIR”

MK/CHI

The MK/CHI proposal received an overall rating of “Fair” in Mission Suitability.

Under the Management Plan Subfactor, MK/CHI received a rating of “Fair.” A major strength reported by the SEB is as follows: one of the proposed seven key personnel was considered a major strength. Major weaknesses reported by the SEB include the following: risk identification and mitigation was only briefly mentioned in the phase-in and phase-out section of the proposal; all indefinite delivery indefinite quantity (IDIQ) work would be conducted by the construction services division which could lead to violations of the Davis Bacon Act and Service Contract Act as well as cause friction between the contractor and collective bargaining units; one of the key personnel received a negative evaluation; construction staff skill-mix, qualifications, cross training, replacement, backup, distribution and effective use of workforce was not provided as required by the RFP; and the phase-in plan did not indicate MK/CHI’s intention to assume any day-to-day work responsibility until the end of phase-in.

Under the Understanding and Approach Subfactor, MK/CHI received a rating of “Fair.” A major strength reported by the SEB is as follows: liquidated damages for non-performance of indefinite delivery, indefinite quantity (IDIQ) work was considered a major strength. Major weaknesses reported by the SEB include the following: MK/CHI did not describe how they will effectively operate and maintain the Government furnished facility automation system over a large area network; Environmental Services were not adequately discussed to demonstrate an understanding of the spill response, asbestos and lead abatement, NPDES Program, and hazardous waste management and material management.

Under the Quality Control Subfactor, FKW received a rating of “Good.” No major strengths or major weaknesses were reported by the SEB.

SPACE MARK

The Space Mark proposal received an overall rating of “Fair” in Mission Suitability.

Under the Management Plan Subfactor, Space Mark received a rating of “Fair.” A major strengths reported by the SEB is as follows: two of the proposed six key personnel were considered major strengths. Major weaknesses reported by the SEB include the following: risk identification and mitigation was not addressed; construction staff skill-mix, qualifications, distribution, effective use of workforce, cross training, replacement

and backup was not provided or addressed; no mention of how construction subcontracts would be handled, and no mention of who would actually be managing the individual Facility Work Requests and Delivery Orders; the management approach lacked substantive details to demonstrate an understanding of the statement of work; all common craft would be in the same organizational element which could lead to violations of the Davis Bacon Act and Service Contract Act; and environmental services staff experience did not meet RFP requirements.

Under the Understanding and Approach Subfactor, Space Mark received a rating of “Poor.” No major strengths were reported by the SEB. Major weaknesses reported by the SEB include the following: no details were provided to demonstrate an understanding of the statement of work, and in most cases the proposal merely restated the statement of work; discussion of CMMS MAXIMO lacked substantive details to demonstrate how it would be used to satisfy the statement of work requirements; and liquidated damages for non-performance of indefinite delivery, indefinite quantity (IDIQ) work was not proposed.

Under the Quality Control Subfactor, Space Mark received a rating of “Poor.” No major strengths were reported by the SEB. A major weaknesses reported by the SEB is as follows: quality plan lacked detail to demonstrate an understanding of “how” to ensure quality control throughout each of the major functional categories.

RELEVANT EXPERIENCE AND PAST PERFORMANCE EVALUATION

In its evaluation of relevant experience and past performance, the SEB gave an adjective rating of “Excellent” to BAMSI, BDM/Vinnell and EG&G. The adjective rating of “Very Good” was given to FKW and Space Mark, and the adjective rating of “Good” was given to Johnson Controls and MK/CHI.

The following is the substance of the SEB’s evaluation of the proposals regarding Relevant Experience and Past Performance. The ratings represent all strengths and weaknesses, however only major strengths and weaknesses are identified.

“EXCELLENT”

BAMSI

The BAMSI proposal received an overall rating of “Excellent” in Relevant Experience and Past Performance. Major strengths reported by the SEB included extensive relevant experience for prime and subcontractors, and excellent past performance history for prime and subcontractors. No major weaknesses were reported by the SEB.

BDM/VINNELL

The BDM/Vinnell proposal received an overall rating of “Excellent” in Relevant Experience and Past Performance. Major strengths reported by the SEB included extensive relevant experience for prime and subcontractors, and excellent past performance history for prime and subcontractors. No major weaknesses were reported by the SEB.

EG&G

The EG&G proposal received an overall rating of “Excellent” in Relevant Experience and Past Performance. Major strengths reported by the SEB included extensive relevant experience for prime and subcontractors, and excellent past performance history for prime and subcontractors. No major weaknesses were reported by the SEB.

“VERY GOOD”

FKW

The FKW proposal received an overall rating of “Very Good” in Relevant Experience and Past Performance. Major strengths reported by the SEB included overall relevant experience for prime and subcontractors, and very good past performance history for prime and subcontractors. No major weaknesses were reported by the SEB.

SPACE MARK

The Space Mark proposal received an overall rating of “Very Good” in Relevant Experience and Past Performance. Major strengths reported by the SEB included overall relevant experience for prime and subcontractors, and very good past performance history for prime and subcontractors. No major weaknesses were reported by the SEB.

“GOOD”

JOHNSON CONTROLS

The Johnson Controls proposal received an overall rating of “Good” in Relevant Experience and Past Performance. Major strengths reported by the SEB included extensive relevant experience for prime and subcontractors, and overall good past performance history for prime and subcontractors. Major weaknesses reported by the SEB include the following: past performance indicated Service Contract Act and

Contract Work Hours and Safety Standards Act violations; a very low award fee score on one contract resulted in replacement of key personnel; environmental and OSHA violations resulted in fines and penalties; and the volume of labor management problems indicate corporate labor-relation concerns.

MK/CHI

The MK/CHI proposal received an overall rating of “Good” in Relevant Experience and Past Performance. Major strengths reported by the SEB includes overall relevant experience for prime and subcontractors, and overall good past performance history for prime and subcontractors. Major weaknesses reported by the SEB include the following: Performance problems with CHI’s “CAPELLA” maintenance management system; and MK performance problems for not staying within budget and schedule constraints.

COST/PRICE EVALUATION

The cost/price evaluation was based on lump sum work, coefficient subfactors and factors, and prepriced work for the 1-year base period and four 1-year options. The adequacy and the reasonableness of the cost/price proposals were evaluated. In addition, the SEB evaluated cost/price components as specified in Section M of the RFP by applying proposal coefficient factors to specified bare price totals. MK/CHI proposed the lowest price, EG&G proposed the next higher price, Johnson Controls proposed the next higher price, Space Mark proposed the next higher price, BDM/Vinnell proposed the next higher price, FKW proposed the next higher price, and BAMSI proposed the highest price.

DECISION

At the conclusion of the SEB presentation, I met in executive session with key MSFC personnel who had heard the presentation and who have responsibilities related to this procurement. Their views were solicited and provided. We considered the SEB’s findings and ratings regarding all seven proposals.

We carefully considered the mission suitability ratings and underlying strengths and weaknesses, and concluded that the findings had been substantiated. We noted that BAMSI’s, EG&G’s, and BDM/Vinnell’s Mission Suitability scores were closely grouped within the mid-range of the “Very Good” rating. We noted that there were no discriminators in the mission suitability scores among these three proposals; however they were superior to the remaining four proposals by a very large margin. While overall

the mission suitability scores were very closely grouped, we noted that EG&G demonstrated a clear and sound approach to performance-based mechanisms. We also noted that BAMSI's approach to liquidated damages demonstrated a lack of appreciation for performance-based contracting mechanisms. We also noted that BAMSI's, EG&G's, and BDM/Vinnell's Relevant Experience and Past Performance was superior to the remaining four proposals. The remaining factor to consider was price. Of the three proposals, we agreed that EG&G offered a clear price advantage.

As a result of the executive session, we concluded, based on mission suitability and relevant experience and past performance ratings, and low cost of doing business with the Government, that EG&G had clearly won the competition, eliminating the need for a competitive range determination. We noted that the EG&G proposal contained no major weaknesses and they proposed a very sound and comprehensive proposal for accomplishing the statement of work. Therefore, in accordance with the provisions of the RFP and FAR 52.215-16 "Contract Award, Alternate II," which provides for award without discussions, I select EG&G for award of the Center Operations Support Services Contract.

Original Signed by
J. Wayne Littles

J. Wayne Littles
Director
Marshall Space Flight Center